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February 7, 2001


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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY


**BY HAND**

Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, S.W.
Room CY-B402
Washington, D.C. 20554

Re: Comments of Global Crossing North America, Inc. on the Application of Verizon New England, Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions), and Verizon Global Networks, Inc., for Authorization to Provide In-Region, InterLATA Services in Massachusetts
**CC Docket No. 01-9**

Dear Ms. Salas:

Enclosed for filing in the above-referenced matter, please find an original and one copy of the Comments of Global Crossing North America, Inc., dated February 6, 2001.

The enclosed documents were also filed electronically last evening, through the Commission's ECFS. This filing is also being served on the Massachusetts Department of Telecommunications and Energy, the U.S. Department of Justice, and on the service list attached hereto.

No. of Copies rec'd 0+1
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Should you have any questions with regard to the foregoing, please do not hesitate to contact the undersigned at your convenience. Thank you for your attention to this matter.

Sincerely yours,

Andrew M. Klein

Enclosures
AMK:mla

cc: Attached Service List

## CERTIFICATE OF SERVICE

I, Michelle L. Arbaugh, hereby certify that I have caused a copy of the foregoing "Comments of Global Crossing North America, Inc." to be served on this 7th day of February, 2001, via hand delivery, upon the following:

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***Via Regular U.S. Mail**

Michelle L. Arbaugh
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DC01/ARBAM/139431.1

**Before the**
**FEDERAL COMMUNICATIONS COMMISSION**
**Washington, D.C. 20554**

| | | |
|---|---|---|
| In the Matter of Application by Verizon New England, Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions), and Verizon Global Networks, Inc., for Authorization to Provide In-Region, InterLATA Services in Massachusetts | ) | CC Docket No. 01-9 |

**COMMENTS OF**
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February 6, 2001

**TABLE OF CONTENTS**

**Page**

I. INTRODUCTION ..... 1

II. VERIZON IS UNABLE TO SIMULTANEOUSLY PROVISION BOTH UNE TRANSPORT AND ACCESS SERVICES ..... 3

III. THE COMMISSION MUST ADOPT PERFORMANCE MEASUREMENTS FOR VERIZON'S PROVISION OF SPECIAL ACCESS SERVICES ..... 5

IV CONCLUSION ..... 13

**Before the**
**FEDERAL COMMUNICATIONS COMMISSION**
**Washington, DC 20554**

| | | |
|---|---|---|
| In the Matter of Application by Verizon New England, Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions), and Verizon Global Networks, Inc., for Authorization to Provide In-Region, InterLATA Services in Massachusetts | ) | CC Docket No. 01-9 |

**COMMENTS OF**
**GLOBAL CROSSING NORTH AMERICA, INC.**

Global Crossing North America, Inc. ("Global Crossing"), by its attorneys, hereby submits these comments in response to the Commission's *Public Notice* in the above-captioned proceeding.[1] The Public Notice invites interested parties to comment on the Application of Verizon New England, Inc., *et al.* ("Verizon") to provide in-region, interLATA services in the Commonwealth of Massachusetts, pursuant to section 271 of the Communications Act of 1934, as amended.[2]

## I. INTRODUCTION

Verizon's performance in providing high capacity trunking has been less than exemplary. It should matter little to the Commission that these orders have been placed as orders for special access services[3] rather than for unbundled network

1 *Public Notice*, Comments Requested on the Application by Verizon New England Inc. for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of Massachusetts, DA 01-106 (January 16, 2001) ("*Public Notice*").

2 47 U.S.C. § 271 (hereinafter "the Act").

3 In these comments, Global Crossing is utilizing the term "special access" broadly to denote those rate elements in the price cap trunking basket.

elements ("UNEs"). Special access facilities and UNEs are largely interchangeable, consisting in large part of the same network facilities. Because of this interchangeability, the Commission decided to impose a one-year moratorium of the use of UNEs as a substitute for special access[4] and has recently requested comment on whether it should continue this moratorium.[5]

This market fact creates two concerns in the context of the Commission's review of Verizon's section 271 application. *First*, Verizon's unacceptable performance in provisioning special access facilities is highly indicative of its ability to provision unbundled network elements and thus calls into question Verizon's checklist compliance.[6] Indeed, to the extent that Verizon's data indicate that it is provisioning UNEs on a timely basis, a reasonable inference for this Commission to draw is that it is doing so only by diverting resources from providing inputs critical to the ability of long distance carriers to offer their services to their customers.

*Second*, and a direct corollary to the first, Verizon's performance in provisioning special access services provides a fair basis for evaluating its ability to discriminate against unaffiliated long distance competitors (should its section 271 application be granted). There can be little doubt that Verizon will remain the dominant provider of access services for the foreseeable future. Yet, the Commission has no basis for evaluating whether such discrimination will occur. Indeed, in the one state

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4 *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-98, Supplemental Order Clarification, 15 FCC Rcd. 9587, 9588-89 (2000).

5 *Public Notice,* Comment Sought on the Use of Unbundled Network Elements To Provide Exchange Access Service, DA 01-169 (rel. January 24, 2001).

6 *See, e.g.*, 47 U.S.C. §§271(c)(2)(B)(i) and (v) (checklist items 1 and 5).

(New York) in which Verizon has been granted section 271 relief, interested parties cannot even evaluate whether such discrimination is occurring. Verizon is under no obligation to report comparative special access data, despite the fact that its section 272 affiliate is already competing in the interLATA market in that state.

Prior to any grant of section 271 authority, the Commission must require Verizon to demonstrate that it is capable of provisioning both access and UNE circuits adequately. Since such a demonstration has not even been attempted, the Commission must deny the application at this time.

At a minimum, the Commission must condition any grant of Verizon's application on a requirement that Verizon report its performance in provisioning special access services -- just as it must now do with respect to local facilities – and ensure satisfactory performance by subjecting Verizon's special access performance to the same type of financial penalties that apply to Verizon's provision of services to its local competitors.

## II. VERIZON IS UNABLE TO SIMULTANEOUSLY PROVISION BOTH UNE TRANSPORT AND ACCESS SERVICES

Verizon's performance in provisioning high capacity transport is poor, at best. As is described in the attached affidavit of Diane L. Peters, Global Crossing's Manager, Access Services, Verizon's performance in provisioning Global Crossing's access orders has been unsatisfactory. Over the last nine months, throughout the 13 state region of the former Bell Atlantic and NYNEX companies, Verizon has been unable to provision even one entrance facility on time. Global Crossing has placed 23 orders for entrance facilities and *Verizon has yet to provision a single facility by Verizon's commitment date.*

In Massachusetts, Verizon's performance is worse than its own region-wide average. During the past nine months, Global Crossing placed two orders for entrance facilities in Boston. One of these orders was finally completed, almost four months beyond the commitment date. The other facility has yet to be placed into service, despite the fact that it has been close to 150 days since the order was placed and it is already one month beyond Verizon's commitment date. Global Crossing cannot predict when this order will finally be completed and the facility placed into service.

Verizon has been unable to provision other special access services in a timely manner as well. Due to an alleged lack of SONET interoffice facilities, orders that encompass 70 DS1s and 7 DS3s have been placed in a hold status by Verizon and the average length of delay is 86 days past the confirmed date. In addition, Verizon has been unable to complete the provisioning of 22 direct end office trunking ("DEOT") orders and 10 other non-DEOT due to an apparent lack of switch ports. The average delay beyond the standard interval is 50 calendar days for DEOT orders and 77.4 calendar days for the non-DEOT trunks.

This lack of timely provisioning adversely affects Global Crossing and its long distance customers in a number of ways. The lack of facilities that Global Crossing requires of Verizon results in increased call blockage, causes Global Crossing to incur increased costs to terminate calls through alternate vendors (where possible) and causes Global Crossing to forego revenue from not being able to provide service to its own customers in a timely basis as a result of Verizon's inability to provision its special access services on a timely basis.

Global Crossing estimates that it has already experienced a negative financial impact of approximately $4 million in the Boston area through January 1, 2001 as a result of Verizon's inability to provision trunking circuits. Moreover, the negative impact of Verizon's below-standard performance is not limited to the amount depicted in this analysis. Global Crossing has not yet received firm due dates for either Verizon's SONET facilities or for Verizon ports. Thus, the losses depicted herein will increase and will do so for an undefined length of time. The full impact of this delay is apparent when compared to the long distance revenues generated by Global Crossing in Massachusetts, $32.2 million.[7] Furthermore, these figures do not even attempt to estimate the damage to Global Crossing's reputation that Verizon's inability to provision special access services has inflicted. This level of performance is completely unacceptable and should call into question Verizon's ability both to provision UNE and access orders at the same time and to offer acceptable, non-discriminatory treatment to its potential long distance competitors.

## III. THE COMMISSION MUST ADOPT PERFORMANCE MEASUREMENTS FOR VERIZON'S PROVISION OF SPECIAL ACCESS SERVICES

Verizon and all other 271 applicants must be required to report special access performance as a condition to receipt of section 271 authority. Imposing reporting requirements and financial incentives of the nature proposed herein would be

7 This revenue figure is for 1999, the latest calendar year for which Global Crossing has available statistics.

easy to implement and would not be burdensome, since the performance metrics to be used are already established for UNE transport and for Verizon's backbone provider, Genuity.[8]

The 271 review process is perhaps the most logical forum in which to consider the proposed relief.[9] While this Commission has previously, and quite appropriately, focused on mechanisms to ensure that RBOCs do not discriminate in favor of their own retail local services or their separate affiliates for data services,[10] the gap for special access services remains. This is an appropriate time for the Commission both to ensure that Verizon is not sacrificing quality in providing access services to putatively meet the section 271 checklist and to prevent preferential treatment in the provisioning of special access services by Verizon to both its section 272 affiliate and competitors.

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8 *In re Application of GTE CORPORATION, Transferor, and BELL ATLANTIC CORPORATION, Transferee, for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License,* CC Docket No. 98-184, Memorandum Opinion and Order, FCC 00-221 (rel. June 16, 2000) *("BA/GTE Merger Order").*

9 The Commission has previously limited the ability of parties to utilize section 271 proceedings to mount collateral challenges to conclusions that the Commission has reached in other proceedings. *See AT&T Corp. v. FCC,* 220 F.3d 607, 631-32 (D.C. Cir. 2000). Global Crossing is not requesting the Commission to revisit that conclusion here. Rather, the Commission's evaluation of a section 271 applicant's performance in provisioning special access is not only an appropriate basis for evaluating checklist compliance, it should be an essential component of the public interest analysis that the Commission must undertake as an essential part of its review of a section 271 application. *See infra* at pages 9-12.

10 *See, e.g., Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act To Provide In-Region, InterLATA Service in the State of New York,* Memorandum Opinion and Order, 15 FCC Rcd 3953 (1999), at ¶ 429 ("*New York 271 Order*"), *aff'd, AT&T v. FCC,* 220 F.3d 607 (D.C. Cir. 2000) ("these [performance assurance] mechanisms can serve as critical complements to the Commission's authority to preserve checklist compliance pursuant to 271(d)(6)"); and *BA/GTE Merger Order* at ¶ 330.

Quite significantly, the one state in which Verizon has obtained interLATA authority is also the one state that has felt the need to consider mandating the reporting requirements suggested here.[11] In fact, among the topics under discussion in the New York PSC proceeding is whether the Verizon Performance Assurance Plan should be expanded to include metrics for special services, thereby imposing penalties for continued poor performance.[12] In its response to the *NY PSC Special Services Order*, Verizon did not dispute that its performance was unsatisfactory. Verizon did, however, oppose the creation of new performance metrics and alleged that the New York Commission lacked the authority to add new special access metrics to the Performance Assurance Plan without Verizon's consent.[13]

Given the resistance that the New York Commission is already facing to the creation of these measures, it is imperative that the FCC exercise its authority over interstate telecommunications and require both that such metrics be reported and that poor and/or discriminatory performance be subjected to appropriate financial consequences.

It is imperative that the Commission have available to it comparative data to determine whether Verizon is able to provision circuits at an acceptable level in both the local wholesale and special access markets simultaneously, before the crucial

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11 *Proceeding to Investigate Methods to Improve and Maintain High Quality Special Services Performance by Verizon New York Inc.*, New York Public Service Commission Case 00-C-2051, ("*New York PSC Special Services Proceeding*"). It is worth noting that the title of the proceeding includes the phrase "methods to **improve** and maintain" performance.

12 *New York PSC Special Services Proceeding,* Order Instituting Proceeding, dated November 24, 2000, at pages 3-5 ("*NY PSC Special Services Order*").

13 *New York PSC Special Services Proceeding,* Verizon Service Quality Improvement Plan, filed December 15, 2000.

section 271 determination is made. Moreover, should a favorable determination on a section 271 application be made, such metrics would enable all stakeholders to determine whether Verizon's section 272 affiliate is receiving preferential treatment. To achieve these important objectives, the Commission should require that the special access performance metrics already used for measuring Verizon's treatment of Genuity be used for Verizon's section 272 affiliate as well. The additional reporting requirement would not be burdensome, and would provide the means to judge whether Verizon and its section 272 affiliate are operating within the statutory requirements.[14]

The Commission already requires Verizon to provide performance reports for its provision of high speed special access services as well as regular special access services to Genuity, in the following areas: percent of commitments met; average interval; average delay days due to lack of facilities; average interval to repair service; and the trouble report rate.[15] In order to prove checklist compliance, Verizon and other RBOCs must also currently demonstrate satisfactory CLEC wholesale performance in each of the five service domains: pre-ordering; ordering; provisioning; maintenance and repair, and billing.[16] There are no corresponding performance measurements, however, for the provision of access services.

The Commission should require Verizon to report its performance in provisioning special access services to all of its customers, including its own section

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14 *See, e.g.*, 47 U.S.C. § 272(c).

15 *Bell Atlantic/GTE Merger Order*, ¶ 330. ("It is our expectation that this condition will ensure that any attempt by the merged entity to discriminate in favor of Genuity in the provision of these special access services will be readily detectable.")

16 *See New York §271 Order*, ¶ 329, *et. seq.*

272 affiliate. These reports must contain sufficient detail for an access customer to be able to determine whether Verizon has provisioned service in a nondiscriminatory manner. At a minimum, Verizon must report its provisioning of special access services, on a disaggregated, company-specific basis, for each of the following measurements: percent of commitments met; average interval (in days); average delay days due to lack of facilities; average interval to repair service (in hours); and the trouble report rate. Requiring these performance measurements and imposing adequate financial incentives for poor or discriminatory performance will eliminate a critical gap in the existing performance assurance scheme.

In its *New York § 271 Order*, the Commission alluded to the importance of this data. "[T]o the extent that parties are experiencing delays in the provisioning of special access services ordered from Bell Atlantic's federal tariffs, we note that these issues are appropriately addressed in the Commission's section 208 complaint process."[17] Without the type of data that would be required under the metrics suggested herein, it is difficult for carriers to avail themselves of the 208 complaint process to which they have been referred.[18]

The existence of adequate performance metrics and penalties are critical to the public interest finding that the Commission is required to make prior to granting a section 271 application. Although the Commission has stated that it will not require a

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17 *Id.*, at ¶ 341.

18 Global Crossing notes that the section 208 complaint process may not be the most efficacious vehicle for addressing this issue, particularly *after* the grant of a section 271 application. The Commission has noted that the most effective vehicle for assuring compliance with the section 271/272 requirements is a self-executing financial penalty. *New York § 271 Order,* ¶ 433. On this basis, the Commission should adopt comparable mechanisms to deter and punish discriminatory behavior that would benefit its long distance affiliate.

demonstration of public interest ***benefit*** from BOC long distance entry,[19] it must consider the potential ***harm*** to the interLATA markets caused by the entry of a firm with the ability to discriminate in the provisioning of access services essential to its competitors.[20] The likelihood that an RBOC's corporate self-interest will result in discriminatory conduct, if left unchecked, is great. The Commission has already concluded that incumbent LECs possess "both the incentive and the ability to discriminate against competitors" in "all retail markets in which they participate."[21]

Congress recognized the danger of permitting an industry's primary wholesale supplier to compete at the retail level. Section 272(c) of the Act prohibits BOC discrimination in favor of their own affiliates, while section 272(e)(1) specifically requires BOCs to "fulfill any requests from an unaffiliated entity" for either exchange service or exchange access "within a period no longer" than the time the BOC takes to provision that service or access to itself or its affiliates.[22] While section 272(c)(2) requires that transactions between the BOC and its affiliate be reported in accordance with the Commission's accounting safeguards, an important gap remains in that there is no requirement that BOCs report the provisioning of tariffed services such as special

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19 *New York § 271 Order*, ¶ 428.

20 As the New York PSC recently found, "Verizon continues to be the dominant carrier for Special Services and other carriers rely heavily on Verizon to provision services for their customers. Therefore, both retail and wholesale aspects of Special Services deserve careful attention to ensure adequate service." *NY PSC Special Services Order* at 2.

21 *In re Application of AMERITECH CORP, Transferor, and SBC COMMUNICATIONS, INC., Transferee, for Consent to Transfer Control of Corporations Holding Commission Licenses and Lines Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95 and 101 of the Commission's Rules*, CC Docket No. 98-141, Memorandum Opinion and Order, FCC 99-279 (rel. October 8, 1999) (*"SBC Ameritech Merger Order"*), ¶ 190.

22 47 U.S.C. §§ 272(c) and (e)(1).

access between the BOC and its affiliates. The Commission should take this opportunity to fill that important gap.

Verizon and the other Bell Operating Companies pose a threat to fair competition in all interLATA service markets once they receive 271 authority, since they still dominate the provision of access services and can discriminate in favor of their own affiliate. Without adequate performance measurements and financial penalties, there is no incentive for Verizon to provision special access services on a nondiscriminatory basis in compliance with sections 251, 271 and 272 of the Act. Therefore, there is no way to ensure that Verizon's special access delays will not be used to the competitive advantage of Verizon's section 272 affiliate. To proactively prevent discrimination, the Commission must require Verizon and all other section 271 applicants to begin reporting special access performance prior to obtaining interLATA authority.

Deficient performance in the provisioning of special access services affects all interLATA services, including internet access, high speed data and traditional voice long distance. Verizon's section 272 affiliate will need the same special access services as Global Crossing, since it will be providing the same services and fighting for the same customers. Without comparative reports, however, there is no way for Verizon to demonstrate that there is no such discrimination. In light of this very real concern, Global Crossing expects that Verizon would support the development of such measurements to remove any cloud of suspicion and prove compliance with Section

272 of the Act, just as it agreed to the creation of metrics and incentives to ensure non-discriminatory performance in other areas.[23]

The section 271 review process provides an appropriate setting in which to examine such incentives and take appropriate action. In fact, this is precisely the type of issue that may not be resolvable until a section 271 review has reached the Commission, since the BOCs will almost certainly challenge attempts by State Commissions to address these issues, claiming that they are primarily interstate in nature.[24] Indeed, the section 271 review process may be the best – if not the only – arena in which the Commission may assure itself that successful applicants continue to comply with the applicable regulatory framework.

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23 *See New York § 271 Order,* ¶ *329, et. seq.*

In its comments on Verizon's failed section 271 application for Massachusetts, the Competitive Telecommunications Association suggested that "[t]he Commission should not sit by and wait until the inevitable complaints begin to surface concerning special access discrimination; instead, the Commission should act proactively to deter anti-competitive conduct." *Application by Verizon New England Inc. for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of Massachusetts*, CC Docket No. 00-176, Comments of the Competitive Telecommunications Association, dated October 16, 2000, at page 13.

Unfortunately, those comments have proved prophetic. Since those comments were filed, the utility commission in the only state for which Verizon has obtained interLATA authority has begun a proceeding to address the problematic and potentially discriminatory service quality of Verizon's special services. *See New York PSC Special Services Order* at page 2.

24 *See, for example, New York PSC Special Services Proceeding,* Letter from Robert P. Slevin, Assistant General Counsel, Verizon New York, to Hon. Jaclyn A. Brilling, Administrative Law Judge, New York PSC, dated January 30, 2001, ("Verizon has previously stated that the New York Public Service Commission does not have jurisdiction over interstate services provided under Verizon's FCC tariff. In providing these materials, Verizon does not agree that these services are an appropriate subject of this proceeding.").

## IV CONCLUSION

For the foregoing reasons, the Commission should deny the application. At a minimum, the Commission should impose performance reporting and financial penalty provisions on Verizon's provision of special access services comparable to those Verizon has already proposed with respect to its provisioning of local services and facilities to its local competitors.

Respectfully submitted,

GLOBAL CROSSING NORTH AMERICA, INC.

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Dated: February 6, 2001

**Before the**
**FEDERAL COMMUNICATIONS COMMISSION**
**Washington, D.C. 20554**

| | | |
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| In the Matter of Application by Verizon New England, Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions), and Verizon Global Networks, Inc., for Authorization to Provide In-Region, InterLATA Services in Massachusetts | ) ) ) ) ) ) ) ) ) | CC Docket No. 01-9 |

**AFFIDAVIT OF**
**DIANE L. PETERS**

**STATE OF NEW YORK )**
**ss.:**
**COUNTY OF MONROE )**

**DIANE L. PETERS,** being duly sworn, deposes and says that:

1. I am Manager, Access Services for Global Crossing North America, Inc. ("Global Crossing"). In this capacity, my responsibilities include analyzing performance data with respect to services provided to Global Crossing that affect its cost of access. These include the provision of services provided to Global Crossing by the Bell Operating Companies that enable it to compete in both the United States local and long distance markets. I submit this affidavit in support of the comments that Global Crossing is filing in response to Verizon's application to provide in-region, interLATA services in the Commonwealth of Massachusetts.

2. Global Crossing recommends that the Commission deny Verizon's application. At a minimum, the Commission should impose a performance reporting and financial incentive plan to govern Verizon's provision of interstate special access services. Such a plan should be comparable in scope and breadth to those plans that

the Commission has found satisfactory to ensure that Verizon and SBC maintain adequate levels of checklist compliance.

3. Special access services and unbundled network elements ("UNEs") are essentially interchangeable. Local competitors, such as Global Crossing, can and do utilize interstate special access services to provide competitive local exchange services. Because Global Crossing seeks to provide to its customers both local and long distance services, it is technically capable of providing both local and long distance services over the same access facilities. Similarly, Global Crossing could, if the Commission's regulations permitted, utilize UNEs to provide both local and long distance services.

4. In this affidavit, I focus upon Verizon's inability to provision the special access services that Global Crossing utilizes primarily to provide its long distance services. I believe that such data is critical to the Commission's consideration of Verizon's application, because of the potential for discriminatory treatment that Verizon could provide -- and has every incentive to provide -- to its section 272 long distance affiliate. Moreover, Verizon's unsatisfactory provision of special access services has occasioned direct, negative financial consequences upon Global Crossing. As such, Verizon's performance in provisioning special access services should at the very least inform the Commission's public interest analysis in its evaluation of Verizon's application.

5. Verizon's performance in provisioning Global Crossing's access orders has been unsatisfactory. Over the last nine months, Verizon has failed to provision even one entrance facility on time in the entire 13-state region of the former Bell Atlantic and NYNEX companies. As is shown in Exhibit A hereto, Global Crossing has placed

23 orders for entrance facilities and *Verizon has yet to provision a single facility by Verizon's commitment date.*

6. In Massachusetts, Verizon's performance is even worse than its own region-wide average. During the past nine months, Global Crossing placed two orders for entrance facilities in Boston. One of these orders was finally completed, close to four months beyond the commitment date. The other facility has yet to be placed into service, although it has already been close to 150 days since the order was placed and is over one month beyond Verizon's commitment date. Global Crossing cannot predict when this order will finally be completed and the facility placed into service.

7. Verizon has also been unable to provision other special access services in a timely manner as well. Due to an alleged lack of SONET interoffice facilities in the Boston area, orders that encompass 70 DS1s and 3 DS3s have been placed in a hold status by Verizon and the average length of delay is 86 days past the confirmed date. In addition, Verizon has been unable to complete the provisioning of 22 direct end office trunking ("DEOT") orders and 10 other non-DEOT orders due to a lack of availability of switch ports. The average delay beyond the standard interval is 50 calendar days for DEOT orders and 77.4 calendar days for the non-DEOT orders. These delays are detailed in Exhibit B hereto.

8. This lack of timely provisioning adversely affects Global Crossing and its long distance customers in several critical areas. The lack of facilities that Global Crossing requires of Verizon results in increased call blockage or, in the event that Global Crossing is able to terminate calls through alternate providers, forces Global Crossing to incur increased costs to terminate calls through those alternate vendors.

Verizon's delay also causes Global Crossing to lose substantial revenue, since Global Crossing is unable to provide service to its own customers on a timely basis.

9. Exhibit C hereto provides an analysis of the financial impact on Global Crossing of Verizon's inability to provision Global Crossing's access orders when promised. Global Crossing estimates that it has already experienced a negative financial impact of approximately $4 million in the Boston area through January 31, 2001 as a result of Verizon's inability to provision trunking circuits on a timely basis. The impact of this delay is particularly significant when compared to the long distance revenues generated by Global Crossing in Massachusetts, which amounted to $32.2 million in 1999, the latest full calendar year for which Global Crossing to date has statistics. These figures do not even attempt to estimate the damage to Global Crossing's reputation as a reliable service provider that Verizon's inability to provision special access services has inflicted upon Global Crossing.

10. Verizon's inability to provision special access in a timely manner is especially disconcerting given the pendency of Verizon's section 271 application. Verizon will soon (if the Commission grants its application) compete with Global Crossing in the interLATA business in Massachusetts. Verizon's long distance affiliate will need the same access to Verizon special access services that Global Crossing requires to provide its long distance services. Verizon has the obvious incentive to discriminate in favor of its long distance affiliate. I sincerely doubt that Verizon would permit its own retail long distance customers to suffer the same degradation of service that Verizon has imposed upon Global Crossing's customers.

Diane L Peters

Diane L. Peters

Sworn to before me this
6th day of February, 2001

Carol A. Personte

Notary Public
CAROL A. PERSONTE
Notary Public, State of New York
Qualified in Monroe County
Commission Expires Dec. 8, 20__

Exhibit A

EXHIBIT A

# Global Crossing Entrance

## Verizon Intervals

23 Systems reported on, 7 Pending, 16 Installed

| Installed | Days | Percent |
|---|---|---|
| Number of systems completed by committed date | 0 | 0% |
| Number of systems completed by standard interval (120 calendar days) | 3 | 19% |
| Average number of days missed from committed date | 86 | |
| Average number of days missed from standard interval | 89 | |
| Average number of days to complete | 209 | |

| Pending | Days | Percent |
|---|---|---|
| Average length of pending systems | 64 | |
| Number of systems missed commited date | 5 | 83% |

EXHIBIT A

# Global Crossing Entrance

## Verizon Intervals

| Site | System | SCID | Date Ordered (with WP) | Due Date Based on Standard Interval | Date of Original Commitment Date | Date of Complete Install | Diff of Date Ordered and Date Completed | Diff of Committed Date and Date Completed | Diff of Standard Interval and Date Completed | Notes |
|---|---|---|---|---|---|---|---|---|---|---|
| Baltimore | OC48 | NMD467 | 4/19/99 | 8/17/99 | N/A | 8/27/99 | 130 | N/A | 10 | |
| Providence | OC12 | NINEBB | 5/4/99 | 9/1/99 | 8/9/99 | 12/14/99 | 224 | 127 | 104 | |
| New York-Hudson | OC48 | NF2F48 | 11/8/99 | 3/7/00 | 1/30/00 | 2/11/00 | 95 | 12 | -25 | |
| Fredricksburg | OC12 | NVA831 | 5/4/99 | 9/1/99 | 9/17/99 | 2/11/00 | 283 | 147 | 163 | |
| New York-Hudson | OC48 | NFOF48 | 10/5/99 | 2/2/00 | 11/30/99 | 3/3/00 | 150 | 94 | 30 | |
| Poughkeepsie | OC48 | NPFR48 | 11/12/99 | 3/11/00 | 2/4/00 | 3/14/00 | 123 | 39 | 3 | |
| Altoona | OC48 | NAA537 | 8/25/99 | 12/23/99 | 1/27/00 | 3/30/00 | 218 | 63 | 98 | |
| Albany | OC48 | NEXGC1 | 4/18/00 | 8/16/00 | 6/30/00 | 7/13/00 | 86 | 13 | -34 | |
| Buffalo | OC48 | NIGC48 | 5/12/00 | 9/9/00 | 6/1/00 | 7/13/00 | 62 | 42 | -58 | |
| Harrisburg | OC48 | NCFGC1 | 6/21/00 | 10/19/00 | 9/8/00 | 10/23/00 | 124 | 45 | 4 | |
| Providence | OC48 | NINEIV | 6/26/00 | 10/24/00 | 9/8/00 | 11/29/00 | 156 | 82 | 36 | |
| Boston | OC48 | NAMTDT | 4/3/00 | 8/1/00 | 8/4/00 | 12/1/00 | 242 | 119 | 122 | *Cancelled recard |
| New York -8th St | OC48 | NFR148 | 12/17/99 | 4/15/00 | 7/28/00 | 1/4/01 | 384 | 160 | 264 | |
| Newark | OC48 | NJB395 | 6/27/00 | 10/25/00 | 9/8/00 | 1/9/01 | 196 | 123 | 76 | |
| Washington | OC48 | NDC405 | 5/16/00 | 9/13/00 | 11/30/00 | 1/11/01 | 240 | 42 | 120 | |
| White Plains | OC48 | NFRN01 | 4/30/99 | 8/28/99 | 4/30/00 | 1/17/01 | 628 | 262 | 508 | |
| Newark | OC48 | NJB567 | 10/13/00 | 2/10/01 | 1/30/01 | Pending | 104 | 0 | -16 | |
| Pittsburgh | OC48 | NFW400 | 10/26/00 | 2/23/01 | 3/28/01 | Pending | 91 | 0 | -29 | |
| Herndon | OC48 | NNV453 | 10/25/00 | 2/22/01 | 1/21/01 | Pending | 92 | 4 | -28 | |
| Boston | OC48 | NAMTEP | 8/30/00 | 12/28/00 | 1/19/01 | Pending | 148 | 6 | 28 | |
| Westfield | OC48 | NAWEJA | 8/15/00 | 12/13/00 | 9/30/00 | Pending | 163 | 117 | 43 | |
| NYC 2nd Floor | OC48 | NFR248 | 6/26/00 | 10/24/00 | 9/8/00 | Pending | 213 | 139 | 93 | *Conduit Issue |
| Philadelphia | OC48 | NPEFN1 | 7/3/00 | 10/31/00 | 9/8/00 | Pending | 206 | 139 | 86 | *Conduit Issue |

**BLUE** indicates pending systems, and calculations are from 1/25/01, "days so far"

Exhibit B

EXHIBIT B

## GLOBAL CROSSING BOSTON PENDING TRUNK ORDERS - DELAYED DUE TO VERIZON FACILITY ISSUES

### DEOT Orders Open as of 1/31/2001

| PON | ORDER SENT | Std Interval 18 Bus Days (1) | Analysis Date | Delay (2) | TENTATIVE DUE DATE | LOCATION | TRK GRP | QUANTITY | Lost Savings (3) |
|---|---|---|---|---|---|---|---|---|---|
| 00BOSB-02218 | 10/13/00 | 11/08/00 | 01/31/01 | 84 | 5/3/01 | DANVERS | 3658 | 24 DEOT | $2,762 |
| 00BOSB-02219 | 10/20/00 | 11/15/00 | 01/31/01 | 77 | 1/26/01 | HAVERHILL | 3659 | 24 DEOT | $2,531 |
| 00BOSB-02220 | 10/20/00 | 11/15/00 | 01/31/01 | 77 | 3/30/01 | LAWRENCE | 3510 | 24 DEOT | $2,531 |
| 00BOSB-02222 | 10/26/00 | 11/21/00 | 01/31/01 | 71 | 2/23/01 | GREENDALE | 3687 | 24 DEOT | $2,334 |
| 00BOSB-02223 | 10/26/00 | 11/21/00 | 01/31/01 | 71 | 2/23/01 | WORCESTER | 3597 | 24 DEOT | $2,334 |
| 00BOSB-02224 | 10/26/00 | 11/21/00 | 01/31/01 | 71 | 2/23/01 | WESTBORO | 3534 | 24 DEOT | $2,334 |
| 00BOSB-02213 | 10/30/00 | 11/23/00 | 01/31/01 | 69 | 3/6/01 | WATERTOWN | 3678 | 24 DEOT | $2,268 |
| 00BOSB-02211 | 11/3/00 | 12/01/00 | 01/31/01 | 61 | 7/27/01 | WINCHESTER | 3571 | 24 DEOT | $2,005 |
| 00BOSB-02210 | 11/6/00 | 12/04/00 | 01/31/01 | 58 | 3/5/01 | WALTHAM | 3524 | 48 DEOT | $3,814 |
| 00BOSB-02209 | 11/6/00 | 12/04/00 | 01/31/01 | 58 | 3/15/01 | WALTHAM | 3619 | 24 DEOT | $1,907 |
| 00BOSB-02206 | 11/7/00 | 12/05/00 | 01/31/01 | 57 | 2/13/01 | BOSTON | 3504 | 72 DEOT | $5,622 |
| 00BOSB-02204 | 11/7/00 | 12/05/00 | 01/31/01 | 57 | 4/17/01 | PLYMOUTH | 3641 | 48 DEOT | $3,748 |
| 00BOSB-02212 | 11/7/00 | 12/05/00 | 01/31/01 | 57 | 4/17/01 | WILMINGTON | 3676 | 24 DEOT | $1,874 |
| 00BOSB-00838 | 11/7/00 | 12/05/00 | 01/31/01 | 57 | 5/29/01 | BROCKTON | 3573 | 24 DEOT | $1,874 |
| 00BOSB-02207 | 11/7/00 | 12/05/00 | 01/31/01 | 57 | 7/27/01 | LYNN | 3650 | 24 DEOT | $1,874 |
| 00BOSB-02215 | 12/15/00 | 01/12/01 | 01/31/01 | 19 | 2/9/01 | MARLBORO | 3596 | 24 DEOT | $625 |
| 00BOSB-02214 | 12/15/00 | 01/12/01 | 01/31/01 | 19 | 2/15/01 | FRAMINGHAM | 3508 | 48 DEOT | $1,249 |
| 00BOSB-02260 | 12/19/00 | 01/17/01 | 01/31/01 | 14 | UNKNOWN | HARWICH | 3898 | 48 DEOT | $921 |
| 00BOSB-02263 | 12/19/00 | 01/17/01 | 01/31/01 | 14 | UNKNOWN | VINEYARD HAVEN | 3901 | 24 DEOT | $460 |
| 00BOSB-02264 | 12/19/00 | 01/17/01 | 01/31/01 | 14 | UNKNOWN | WAREHAM | 3902 | 24 DEOT | $460 |
| 00BOSB-02265 | 12/19/00 | 01/17/01 | 01/31/01 | 14 | UNKNOWN | AYER | 3903 | 24 DEOT | $460 |
| 00BOSB-02268 | 12/19/00 | 01/17/01 | 01/31/01 | 14 | UNKNOWN | BEVERLY | 3906 | 24 DEOT | $460 |
| | | | **Average Delay** | **50** | | | | **Total lost savings** | **$44,449** |

(1) Standard interval for trunking orders is 18 business days.

(2) Delay is calculated in calendar days.

(3) Estimated direct end office trunking savings (DEOT) compared to tandem trunking is $1000/month per T1.
Savings is calculated based on 30.417 calendar days per month.

EXHIBIT B

## GLOBAL CROSSING BOSTON PENDING TRUNK ORDERS - DELAYED DUE TO VERIZON FACILITY ISSUES

### Non-DEOT Orders Open as of 1/31/2001

| PON | ORDER SENT | Std Interval 18 Bus Days(1) | Analysis Date | Delay (2) | TENTATIVE DUE DATE | LOCATION | TRK GRP | QUANTITY | T1 Equivalent | Overflow MOU (3) | Overflow Traffic (4) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 00BOSB-01454 | 6/23/00 | 07/20/00 | 01/31/01 | 195 | 1/30/01 | LAWRENCE | 3509 | 96 | 4 | 3,205,479 | $30,452.05 |
| 00BOSB-01610 | 7/13/00 | 08/08/00 | 01/31/01 | 176 | 3/8/01 | BROCKTON | 3528 | 120 | 5 | 3,616,438 | $34,356.16 |
| 00BOSB-01452 | 7/14/00 | 08/09/00 | 01/31/01 | 175 | 3/23/01 | WORCESTER | 3511 | 168 | 7 | 5,034,247 | $47,825.34 |
| 00BOSB-02167 | 11/10/00 | 12/08/00 | 01/31/01 | 54 | 8/1/01 | CAMBRIDGE | 3580 | 48 | 2 | 443,836 | $4,216.44 |
| 00BOSB-02165 | 11/29/00 | 12/26/00 | 01/31/01 | 36 | 4/2/01 | BROCKTON | 3512 | 96 | 4 | 591,781 | $5,621.92 |
| 00BOSB-02662 | 12/1/00 | 12/28/00 | 01/31/01 | 34 | 3/8/01 | NEWTON | 3747 | 96 | 4 | 558,904 | $5,309.59 |
| 00BOSB-02623 | 12/1/00 | 12/28/00 | 01/31/01 | 34 | 3/21/01 | FRAMINGHAM | 3530 | 72 | 3 | 419,178 | $3,982.19 |
| 00BOSB-02607 | 12/5/00 | 01/02/01 | 01/31/01 | 29 | 2/12/01 | FRAMINGHAM | 3507 | 120 | 5 | 595,890 | $5,660.96 |
| 00BOSB-02625 | 12/5/00 | 01/02/01 | 01/31/01 | 29 | 3/1/01 | WORCESTER | 3511 | 72 | 3 | 357,534 | $3,396.58 |
| 00BOSB-02624 | 12/21/00 | 01/19/01 | 01/31/01 | 12 | UNKNOWN | LAWRENCE | 3531 | 120 | 5 | 246,575 | $2,342.47 |
| | | | **Average Delay** | **77.4** | | | | | | | **$143,163.70** |

(1) Standard interval for trunking orders is 18 business days.

(2) Delay is calculated in calendar days. There are 30.417 calendar days per month.

(3) Overflow MOU is based on 125,000 minutes of use per T1 per month.

(4) Incremental cost to terminate switched overflow traffic is $0.0095 per mou.

Exhibit C

Exhibit C

## Verizon Provisioning Performance-Impact Analysis
## Global Crossing Orders Delayed for Completion of Verizon Inter-Office Facilities
## Boston, MA

| | Special Access Lost Revenue | Special Access Lost Revenue | Switched Access Cost Increase | Total Negative Impact |
|---|---|---|---|---|
| 1 | Delayed orders pending delivery of inter-office facilities: | | | |
| | DS1s | 70.0 | | |
| | DS3s | 3.0 | | |
| 2 | Rev/MOU | $0.0311 | | |
| 3 | Avg Duration of delayed order: | 86 | | |
| | Revenue/Cost impact through 1/31/2001 | | | |
| | DS1s | $1,752,398 | | $1,752,398 |
| | DS3s | $2,102,878 | | $2,102,878 |
| | Total | $3,855,275 | | $3,855,275 |
| 4 | Switched Access Cost Increase | | | |
| 5 | Delayed DEOT orders pending Verizon switch ports | | $44,449 | $44,449 |
| 6 | Overflow cost | | $143,164 | $143,164 |
| | Switched Access Cost Increase through 1/31/2001 | | $187,613 | $187,613 |
| | Total Negative Impact Through 1/31/2001 | $3,855,275 | $187,613 | $4,042,888 |